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In this issue

U. S. INITIAL POST-SURRENDER POLICY FOR JAPAN

POLICY STATEMENT OF THE EXPORT-IMPORT BANK OF WASHINGTON

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THE DEPARTMENT OF STATE
BULLETIN

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The Department of State BULLETIN, a weekly publication compiled and edited in the Division of Research and Publication, Office of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes press releases on foreign policy issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest is included.

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U. S. Initial Post-Surrender Policy for Japan

[Released to the press by the White House September 22]

The following statement of general initial policy relating to Japan after surrender was prepared jointly by the Department of State, the War Department, and the Navy Department and approved by the President on September 6. The document in substance was sent to General MacArthur by radio on August 29 and, after approval by the President, by messenger on September 6.

U. S. INITIAL POST-SURRENDER POLICY FOR JAPAN

Purpose of this Document

This document is a statement of general initial policy relating to Japan after surrender. It has been approved by the President and distributed to the Supreme Commander for the Allied Powers and to appropriate U. S. departments and agencies for their guidance. It does not deal with all matters relating to the occupation of Japan requiring policy determinations. Such matters as are not included or are not fully covered herein have been or will be dealt with separately.

PART I—Ultimate Objectives

The ultimate objectives of the United States in regard to Japan, to which policies in the initial period must conform, are:

(a) To insure that Japan will not again become a menace to the United States or to the peace and security of the world.

(b) To bring about the eventual establishment of a peaceful and responsible government which will respect the rights of other states and will support the objectives of the United States as reflected in the ideals and principles of the Charter of the United Nations. The United States desires that this government should conform as closely as may

be to principles of democratic self-government but it is not the responsibility of the Allied Powers to impose upon Japan any form of government not supported by the freely expressed will of the people.

These objectives will be achieved by the following principal means:

(a) Japan's sovereignty will be limited to the islands of Honshu, Hokkaido, Kyushu, Shikoku and such minor outlying islands as may be determined, in accordance with the Cairo Declaration and other agreements to which the United States is or may be a party.

(b) Japan will be completely disarmed and demilitarized. The authority of the militarists and the influence of militarism will be totally eliminated from her political, economic, and social life. Institutions expressive of the spirit of militarism and aggression will be vigorously suppressed.

(c) The Japanese people shall be encouraged to develop a desire for individual liberties and respect for fundamental human rights, particularly the freedoms of religion, assembly, speech, and the press. They shall also be encouraged to form democratic and representative organizations.

(d) The Japanese people shall be afforded opportunity to develop for themselves an economy which will permit the peacetime requirements of the population to be met.

PART II—Allied Authority

1. Military Occupation

There will be a military occupation of the Japanese home islands to carry into effect the surrender terms and further the achievement of the ultimate objectives stated above. The occupation shall have the character of an operation in behalf of the principal allied powers acting in the in-

terests of the United Nations at war with Japan. For that reason, participation of the forces of other nations that have taken a leading part in the war against Japan will be welcomed and expected. The occupation forces will be under the command of a Supreme Commander designated by the United States.

Although every effort will be made, by consultation and by constitution of appropriate advisory bodies, to establish policies for the conduct of the occupation and the control of Japan which will satisfy the principal Allied powers, in the event of any differences of opinion among them, the policies of the United States will govern.

2. *Relationship to Japanese Government*

The authority of the Emperor and the Japanese Government will be subject to the Supreme Commander, who will possess all powers necessary to effectuate the surrender terms and to carry out the policies established for the conduct of the occupation and the control of Japan.

In view of the present character of Japanese society and the desire of the United States to attain its objectives with a minimum commitment of its forces and resources, the Supreme Commander will exercise his authority through Japanese governmental machinery and agencies, including the Emperor, to the extent that this satisfactorily furthers United States objectives. The Japanese Government will be permitted, under his instructions, to exercise the normal powers of government in matters of domestic administration. This policy, however, will be subject to the right and duty of the Supreme Commander to require changes in governmental machinery or personnel or to act directly if the Emperor or other Japanese authority does not satisfactorily meet the requirements of the Supreme Commander in effectuating the surrender terms. This policy, moreover, does not commit the Supreme Commander to support the Emperor or any other Japanese governmental authority in opposition to evolutionary changes looking toward the attainment of United States objectives. The policy is to use the existing form of Government in Japan, not to support it. Changes in the form of Government initiated by the Japanese people or government in the direction of modifying its feudal and authoritarian tendencies are to be permitted and favored. In the event that the effectuation of such changes involves the

use of force by the Japanese people or government against persons opposed thereto, the Supreme Commander should intervene only where necessary to ensure the security of his forces and the attainment of all other objectives of the occupation.

3. *Publicity as to Policies*

The Japanese people, and the world at large, shall be kept fully informed of the objectives and policies of the occupation, and of progress made in their fulfilment.

PART III—Political

1. *Disarmament and Demilitarization*

Disarmament and demilitarization are the primary tasks of the military occupation and shall be carried out promptly and with determination. Every effort shall be made to bring home to the Japanese people the part played by the military and naval leaders, and those who collaborated with them, in bringing about the existing and future distress of the people.

Japan is not to have an army, navy, air force, secret police organization, or any civil aviation. Japan's ground, air and naval forces shall be disarmed and disbanded and the Japanese Imperial General Headquarters, the General Staff and all secret police organizations shall be dissolved. Military and naval matériel, military and naval vessels and military and naval installations, and military, naval and civilian aircraft shall be surrendered and shall be disposed of as required by the Supreme Commander.

High officials of the Japanese Imperial General Headquarters, and General Staff, other high military and naval officials of the Japanese Government, leaders of ultra-nationalist and militarist organizations and other important exponents of militarism and aggression will be taken into custody and held for future disposition. Persons who have been active exponents of militarism and militant nationalism will be removed and excluded from public office and from any other position of public or substantial private responsibility. Ultra-nationalistic or militaristic social, political, professional and commercial societies and institutions will be dissolved and prohibited.

Militarism and ultra-nationalism, in doctrine and practice, including para-military training, shall be eliminated from the educational system. Former career military and naval officers, both

commissioned and non-commissioned, and all other exponents of militarism and ultra-nationalism shall be excluded from supervisory and teaching positions.

2. *War Criminals*

Persons charged by the Supreme Commander or appropriate United Nations Agencies with being war criminals, including those charged with having visited cruelties upon United Nations prisoners or other nationals, shall be arrested, tried and, if convicted, punished. Those wanted by another of the United Nations for offenses against its nationals, shall, if not wanted for trial or as witnesses or otherwise by the Supreme Commander, be turned over to the custody of such other nation.

3. *Encouragement of Desire for Individual Liberties and Democratic Processes*

Freedom of religious worship shall be proclaimed promptly on occupation. At the same time it should be made plain to the Japanese that ultra-nationalistic and militaristic organizations and movements will not be permitted to hide behind the cloak of religion.

The Japanese people shall be afforded opportunity and encouraged to become familiar with the history, institutions, culture, and the accomplishments of the United States and the other democracies. Association of personnel of the occupation forces with the Japanese population should be controlled, only to the extent necessary, to further the policies and objectives of the occupation.

Democratic political parties, with rights of assembly and public discussion, shall be encouraged, subject to the necessity for maintaining the security of the occupying forces.

Laws, decrees and regulations which establish discriminations on grounds of race, nationality, creed or political opinion shall be abrogated; those which conflict with the objectives and policies outlined in this document shall be repealed, suspended or amended as required; and agencies charged specifically with their enforcement shall be abolished or appropriately modified. Persons unjustly confined by Japanese authority on political grounds shall be released. The judicial, legal and police systems shall be reformed as soon as practicable to conform to the policies set forth in Articles 1 and 3 of this Part III and thereafter shall be progressively influenced, to protect individual liberties and civil rights.

PART IV—Economic

1. *Economic Demilitarization*

The existing economic basis of Japanese military strength must be destroyed and not be permitted to revive.

Therefore, a program will be enforced containing the following elements, among others; the immediate cessation and future prohibition of production of all goods designed for the equipment, maintenance, or use of any military force or establishment; the imposition of a ban upon any specialized facilities for the production or repair of implements of war, including naval vessels and all forms of aircraft; the institution of a system of inspection and control over selected elements in Japanese economic activity to prevent concealed or disguised military preparation; the elimination in Japan of those selected industries or branches of production whose chief value to Japan is in preparing for war; the prohibition of specialized research and instruction directed to the development of war-making power; and the limitation of the size and character of Japan's heavy industries to its future peaceful requirements, and restriction of Japanese merchant shipping to the extent required to accomplish the objectives of demilitarization.

The eventual disposition of those existing production facilities within Japan which are to be eliminated in accord with this program, as between conversion to other uses, transfer abroad, and scrapping will be determined after inventory. Pending decision, facilities readily convertible for civilian production should not be destroyed, except in emergency situations.

2. *Promotion of Democratic Forces*

Encouragement shall be given and favor shown to the development of organizations in labor, industry, and agriculture, organized on a democratic basis. Policies shall be favored which permit a wide distribution of income and of the ownership of the means of production and trade.

Those forms of economic activity, organization and leadership shall be favored that are deemed likely to strengthen the peaceful disposition of the Japanese people, and to make it difficult to command or direct economic activity in support of military ends.

To this end it shall be the policy of the Supreme Commander:

(a) To prohibit the retention in or selection for places of importance in the economic field of individuals who do not direct future Japanese economic effort solely towards peaceful ends; and

(b) To favor a program for the dissolution of the large industrial and banking combinations which have exercised control of a great part of Japan's trade and industry.

3. *Resumption of Peaceful Economic Activity*

The policies of Japan have brought down upon the people great economic destruction and confronted them with the prospect of economic difficulty and suffering. The plight of Japan is the direct outcome of its own behavior, and the Allies will not undertake the burden of repairing the damage. It can be repaired only if the Japanese people renounce all military aims and apply themselves diligently and with single purpose to the ways of peaceful living. It will be necessary for them to undertake physical reconstruction, deeply to reform the nature and direction of their economic activities and institutions, and to find useful employment for their people along lines adapted to and devoted to peace. The Allies have no intention of imposing conditions which would prevent the accomplishment of these tasks in due time.

Japan will be expected to provide goods and services to meet the needs of the occupying forces to the extent that this can be effected without causing starvation, widespread disease and acute physical distress.

The Japanese authorities will be expected, and if necessary directed, to maintain, develop and enforce programs that serve the following purposes:

- (a) To avoid acute economic distress.
- (b) To assure just and impartial distribution of available supplies.
- (c) To meet the requirements for reparations deliveries agreed upon by the Allied Governments.
- (d) To facilitate the restoration of Japanese economy so that the reasonable peaceful requirements of the population can be satisfied.

In this connection, the Japanese authorities on their own responsibility shall be permitted to establish and administer controls over economic activities, including essential national public services, finance, banking, and production and distribution of essential commodities, subject to the approval and review of the Supreme Commander

in order to assure their conformity with the objectives of the occupation.

4. *Reparations and Restitution*

REPARATIONS

Reparations for Japanese aggression shall be made:

(a) Through the transfer—as may be determined by the appropriate Allied authorities—of Japanese property located outside of the territories to be retained by Japan.

(b) Through the transfer of such goods or existing capital equipment and facilities as are not necessary for a peaceful Japanese economy or the supplying of the occupying forces. Exports other than those directed to be shipped on reparation account or as restitution may be made only to those recipients who agree to provide necessary imports in exchange or agree to pay for such exports in foreign exchange. No form of reparation shall be exacted which will interfere with or prejudice the program for Japan's demilitarization.

RESTITUTION

Full and prompt restitution will be required of all identifiable looted property.

5. *Fiscal, Monetary, and Banking Policies*

The Japanese authorities will remain responsible for the management and direction of the domestic fiscal, monetary, and credit policies subject to the approval and review of the Supreme Commander.

6. *International Trade and Financial Relations*

Japan shall be permitted eventually to resume normal trade relations with the rest of the world. During occupation and under suitable controls, Japan will be permitted to purchase from foreign countries raw materials and other goods that it may need for peaceful purposes, and to export goods to pay for approved imports.

Control is to be maintained over all imports and exports of goods, and foreign exchange and financial transactions. Both the policies followed in the exercise of these controls and their actual administration shall be subject to the approval and supervision of the Supreme Commander in order to make sure that they are not contrary to the policies of the occupying authorities, and in particular that all foreign purchasing power that Japan may acquire is utilized only for essential needs.

7. *Japanese Property Located Abroad*

Existing Japanese external assets and existing Japanese assets located in territories detached from Japan under the terms of surrender, including assets owned in whole or part by the Imperial Household and Government, shall be revealed to the occupying authorities and held for disposition according to the decision of the Allied authorities.

8. *Equality of Opportunity for Foreign Enterprise within Japan*

The Japanese authorities shall not give, or permit any Japanese business organization to give, exclusive or preferential opportunity or terms to the enterprise of any foreign country, or cede to such enterprise control of any important branch of economic activity.

9. *Imperial Household Property*

Imperial Household property shall not be exempted from any action necessary to carry out the objectives of the occupation.

Concerning Occupation Force in Japan

At the President's press and radio news conference on September 18, a correspondent asked whether the President had had any advance information of General MacArthur's statement that the occupation force in Japan would be reduced to 200,000 men within six months. He replied in the negative, adding that he was glad to see that the General would not need so many troops as he had originally estimated. The President pointed out that 30 days ago General MacArthur said that he would need 500,000, that then he had said 400,000, and that now his estimate was 200,000.

A correspondent asked the following question at Acting Secretary Acheson's press and radio news conference on September 19:

Q. Sir, there were reports that you were disturbed over some of the recent statements made by General MacArthur. Do you have any comment to make on the occupation?

A. Well, I have not any comment to make on the state of my own being. That is not a very important matter.

I have no comment to make on the military aspects of what General MacArthur stated. That is a purely military matter with which the State Department is not properly concerned. I think I can say that I am surprised that anybody can foresee at this time the number of forces which will be necessary in Japan. That may come from my inadequate knowledge of the military field, however, and it is not very important.

The important thing is that the policy in regard to Japan is the same policy which has always been held by this Government and is still held so far as I know, and I think I know. In carrying out that policy, the occupation forces are the instruments of policy and not the determinants of policy, and the policy is and has been that the surrender of Japan will be carried out; that Japan will be put in a position where it can not renew aggressive warfare; that the present economic and social system in Japan which makes for a will to war will be changed so that that will to war will not continue; and that whatever it takes to carry this out will be used to carry it out.

Designation of World War II

APPROVAL OF RECOMMENDATION OF WAR AND NAVY DEPARTMENTS

10 September 1945.

THE PRESIDENT

The White House

DEAR MR. PRESIDENT:

President Wilson, under date of July 31, 1919, addressed a letter to Secretary of War Baker which read, in part, as follows:

"It is hard to find a satisfactory 'official' name for the war, but the best, I think, that has been suggested is 'The World War', and I hope that your judgment will concur."

Subsequently, under date of October 7, 1919, War Department General Orders No. 115 directed:

"The war against the Central Powers of Europe, in which the United States has taken part, will

hereafter be designated in all official communications and publications as 'The World War'."

As a matter of simplicity and to insure uniform terminology, it is recommended that "World War II" be the officially designated name for the present war covering all theaters and the entire period of hostilities.

The term "World War II" has been used in at least seven public laws to designate this period of hostilities. Analysis of publications and radio programs indicates that this term has been accepted by common usage.

If this recommendation is approved it is further recommended that the title "World War II" be published in the *Federal Register* as the official name of the present war.¹

Respectfully yours,

HENRY L. STIMSON,
Secretary of War.

JAMES FORRESTAL,
Secretary of the Navy.

Approved: September 11, 1945.

HARRY S. TRUMAN.

The Relief and Rehabilitation Program

Statement by THE PRESIDENT

[Released to the press by the White House September 17]

The United States Government is now in a position to fulfil the main requests of Europe—with the exception of sugar, fats, and oils—from this date until January 1 as these requests have been stated to it by the governments of the liberated countries and by UNRRA.

Provision of the supplies thus requested does not, however, mean that the civilian populations of Europe will reach even a minimum level of subsistence, and much suffering may be expected during the coming winter in certain areas of the Continent.

The limiting factor in meeting the minimum needs of the liberated peoples is no longer one of shipping. For the moment, in the case of most commodities, it is no longer a problem of supply. Today it is primarily a twofold financial problem: first, to work out credits or other financial arrangements with the European governments; second, to make additional funds available to UNRRA for emergency relief.

This Government is bending every effort to find solutions to this problem, in cooperation with the respective claimants, with a view to increasing the flow of urgently needed supplies. Pending such settlements this Government is taking necessary measures in relation to production, distribution, and shipping of supplies to insure a broad, equitable, and continuous flow of current stocks and new production of relief and rehabilitation sup-

plies for liberated areas, which it is anticipated will be required, in addition to those quantities which they have already requisitioned. One purpose of such measures is to prevent the dissipation of available supplies in domestic channels where they are not essential.

When I returned from Potsdam I said, "If we let Europe go cold and hungry, we may lose some of the foundations of order on which the hope for world-wide peace must rest. We must help to the limits of our strength. And we will."² That pledge, made not only to our Allies but to the American people, must be kept. It should be made perfectly clear that, contrary to the belief of many, relaxation of rationing on the home front is not a factor in the allocation of relief supplies to Europe. The Department of Agriculture reports that, despite the release of cheese from rationing controls and the possible relaxation of domestic meat rationing, we have sufficient quantities of meat and dairy products to fulfil the requirements placed upon us by UNRRA and the paying governments for the last quarter of the year. Furthermore, should UNRRA secure the additional financial resources it so urgently needs and the paying governments conclude more satisfactory financial arrangements, again raising the problem of supply, both the Department of Agriculture and the War Production Board have the authority to issue set-aside orders on specific quantities of commodities purchased, regardless of whether they are rationed, to insure deliveries abroad. This does not mean that it may not become necessary to resume ration

¹ 10 *Federal Register* 11881.

² BULLETIN of Aug. 12, 1945, p. 212.

controls of certain items if they become so short in supply that such controls are required to insure more equitable distribution.

RELIEF NEEDS SUMMARIZED

The most desperate needs of the liberated people are for coal, transportation, and food, in that order of priority. Other commodities urgently required include hides and leather, cotton, wool, textiles, soap, farm equipment, including fertilizer and seeds, repair parts and machinery, medical supplies, and a general list of raw materials. The items which are causing major concern because of world-wide shortages are coal, sugar and fats, hides and leather, textiles, and a few of the raw materials, in minor quantities. Locomotives constitute a special and acute problem because of the time factor involved in their manufacture.

Coal presents not only the most serious but the most complicated problem. Once self-sufficient in this commodity, Europe is now without the labor, the food, the transportation, the housing, and the machinery needed to restore production quickly to its pre-war level. The Allied Control Commission is making every effort to speed the resumption of German production in order to supply the liberated areas, but despite considerable progress the people of these areas face a winter of extreme hardship.

WHAT IS BEING DONE

The United States is now shipping approximately 1,400,000 tons of coal to Europe a month. For the period ending January 1 the goal is 8,000,000 tons, or slightly more than one percent of our domestic production. The limiting factor is not primarily one of supply but of inland transportation facilities both here and abroad.

The Department of Agriculture reports that shipments of food to the paying governments and UNRRA during the last quarter of this year will include approximately these quantities:

- 150 million pounds of meat and meat products
- 70 million bushels of wheat
- 28 thousand short tons of raw sugar
- 90 million pounds of dried peas and beans
- 13 million pounds of lard

In addition, the Department of Agriculture is prepared to ship the following supplies of dairy products, in at least these quantities, as soon as

financial arrangements have been satisfactorily completed:

- 60 million pounds of cheese
- 200 million pounds of evaporated milk
- 25 million pounds of dry whole-milk powder
- 80 million pounds of dry skim-milk powder
- 15 million pounds of condensed milk

It should be remembered that these supplies will serve not to improve but only to sustain the diet of the liberated peoples, which remains below the minimum level of subsistence. In some cases the doubling of these food shipments waits only upon the conclusion of satisfactory financial arrangements.

This Government has abundant evidence that the American people are aware of the suffering among our Allies. They have also made plain their determination that this country shall do its full part, along with other supplying nations, in helping to restore health and strength to those who fought at our side both in Europe and in the Far East. It is an American responsibility not only to our friends, but to ourselves, to see that this job is done and done quickly.

Plans for Greek Elections

UNITED STATES, UNITED KINGDOM, AND FRANCE TO SEND OBSERVERS

[Released to the press September 19]

The following statement by the United Kingdom, United States, and French Governments was released simultaneously in London, Paris, and Washington:

During his visit to London the Regent of Greece had consultations on all the subjects which concern Greece with the representatives of the United Kingdom, United States, and French Governments, the three Governments which have agreed to send observers to Greece for the elections which are to be held there.

The three Governments hold the firm opinion that elections for a revisionary assembly should be held as soon as possible. They hope that it will be possible to arrange the elections before the end of the year.

Thus a Government would be formed which would be based on the wishes of people and Parliament. The formation of such a Government would facilitate the restoration of condi-

(Continued on page 430)

Duties and Responsibilities of the Assistant Secretary in Charge of Public Affairs

Statement by ACTING SECRETARY ACHESON

[Released to the press September 17]

Mr. William Benton today assumed his duties as Assistant Secretary of State in charge of public affairs. He will be responsible for the public affairs of the Department of State both at home and abroad. He will also be responsible for supervision over the Office of International Information and Cultural Affairs and the Interim International Information Service.

Mr. Benton will work on the immediate problems of transition growing out of President Truman's Executive order of August 31¹ dealing with the Office of Inter-American Affairs and the Office of War Information. He will recommend to Secretary of State Byrnes a long-range program for the Department in this area.

Statement by ASSISTANT SECRETARY BENTON

[Released to the press September 18]

In his Executive order of August 31, President Truman transferred to the State Department many functions of the Office of War Information and the Office of Inter-American Affairs. He said he wanted the rest of the world to "receive a full and fair picture of American life and of the aims and policies of the United States Government".

President Truman's Executive order is renewed recognition of a new factor in foreign affairs. The development of modern means of communication has brought the peoples of the world into direct contact each with the other. Foreign relations are being conducted in public to an accelerated degree. I believe it is inevitable that this trend will continue. Friendship between the leaders and the diplomats of the world is important, but it is not enough. The peoples themselves must strive to understand each other. Open and public debate—through the newspapers, the magazines, the radio, and other forms of communication between peoples—is perhaps the most important development in the history of our diplomatic efforts abroad.

The war has dramatized once more the superlative economic strength of the United States. The

advent of atomic power, with American science in the forefront of research, means that we have become—temporarily at least—the most powerful military nation on earth. Such strength could easily generate suspicion and dislike abroad. Thus we face one of the great challenges of our history. Morally, spiritually, and intellectually we must rise to the responsibilities inherent in our economic and political strength. And we must make clear to all the world that we propose to use our strength, and the force of our example, constructively and in the interest of the well-being of all mankind.

We must strive to interpret ourselves abroad through a program of education and of cultural exchange. Our objective as a free people must be to avoid the taint of special pleading but to aim at better understanding of our democratic processes. We must support the free press and the radio in this objective. We must seek clarification and avoid propaganda. Further, here at home we must strive for a better understanding of the other peoples of the world, with whom we want to live in peace and cannot live in peace unless we achieve mutual understanding. Our processes in foreign relations must be exposed to the insight of the common man: his conscience and intelligence must be drawn into the State Department.

It will be my privilege under Secretary Byrnes' direction to try to develop an organization within the State Department which will assist Secretary Byrnes and the Department to carry out the spirit of President Truman's directive and the plans of Secretary Byrnes for the development of our relations with all the peoples of the world.

GREEK ELECTIONS—Continued from page 429

tions of stable tranquility in Greece. Only when these conditions are in due course firmly established will it become possible to hold a free and genuine plebiscite to decide on the future regime in Greece.

The three Governments in full agreement hope and recommend that all parties in Greece with the interests of their country before them will collaborate sincerely and willingly in the execution of this program, which in their judgment represents the best hope of orderly and democratic development.²

¹ BULLETIN of Sept. 2, 1945, p. 307.

² See BULLETIN of Aug. 26, 1945, p. 283.

The Problem of Supplies for Liberated Areas

Address by JAMES A. STILLWELL¹

[Released to the press September 19]

LADIES OF THE DISTRICT BAR ASSOCIATION: It is indeed a pleasure and I consider it one of those rare opportunities to be present here this evening and to be granted the privilege of talking with you concerning the problem which is of such vital concern to the officials of your Government and indeed every citizen of this country. It is the problem of supplies for the destitute people of liberated areas.

It is with no small degree of humility that I acknowledge the kind introduction of your president, in particular her reference to me as the guest speaker of the evening. Since I am not a career diplomat nor an attorney, but simply a businessman assigned to a special task in the field of supply operations for the duration, I am naturally not an accomplished orator, so I should like for you to think of my presence here this evening in the role of a fellow citizen giving you in not oratorical fashion but in simple, straightforward language a factual report on this Government's activities concerning the supply of much-needed relief to the citizens of our liberated Allies and to help you to comprehend the problem that must be solved during the next few months if wide-spread disease and suffering are to be prevented in the devastated areas.

I particularly welcome the opportunity of reporting to you this evening because I believe that my invitation here is significant of the healthy growth of public interest in our Government's problems and responsibilities. In this regard I should like to quote a most significant and provocative remark recently made by one of your own profession, Mr. Edward F. Johnson, general counsel for the Standard Oil Company, in his speech before the Maryland Bar Association. In citing the profound changes that have occurred in this country since 1929, Mr. Johnson said, "to statute and decision has been added a new legal dimension—the dominant public interest." That dominant public interest referred to by Mr. Johnson was the driving force which has brought such glowing military success in the destruction of the brutal forces of tyranny and oppression. That dominant public interest must continue to grow,

for the job of winning the war is only the first step on the road to peace.

Having recently jeeped through the war-torn areas of Europe from the tip of the Peloponnesus to the shores of Normandy and the British Isles, I have come to a partial realization of what it means to a civilian population to be literally ground under the wheels and wings of modern warfare. I gained a considerable degree of antipathy for the true meaning of the word "devastation." I learned for the first time through stark realities the almost unbearable degree of suffering and the indescribable destruction that the use of that word should convey. I made this trip for the specific purpose of gaining first-hand knowledge of the intricate problems of handling relief supplies in the field, a job which up to that time had been the direct responsibility of the Allied military forces.

The officials of the Allied powers realized early in this war that the degree of civilian relief that would be required would be far beyond our comprehension and clearly without the realm of any previous experience. For modern warfare is no respecter of civilians, young or old, or of the remoteness of areas. It was also recognized that this problem must be attacked as an integral part of our military operations, since liberated populations must be maintained, at least in a state of repose so that the turmoil caused by wide-spread disease and suffering would not hamper our supply lines and thereby slow down the prosecution of the war. Recognizing that the size of this job was so tremendous that it could not be handled by regularly established relief organizations and that the civilian agencies of this Government were neither equipped nor trained to face this task immediately, the President ordered the United States Army to assume the responsibility of distributing

¹ Delivered before the Women's Bar Association of the District of Columbia on Sept. 18, 1945. Mr. Stillwell is Adviser on Supplies in the War Areas Economic Division, Office of International Trade Policy, Department of State. For articles by Mr. Stillwell on supplies for liberated areas see *BULLETIN* of May 20, 1944, p. 469, and May 20, 1945, p. 917.

relief supplies necessary to prevent wide-spread disease and unrest until such time as civilian organizations or the indigenous governments themselves might be capable of assuming the longer range task of relief and rehabilitation. Accordingly, the United States Army established a new division called the Civil Affairs Division, under the direction of Maj. Gen. John Hilldring. General Hilldring and his new-born division not only faced the task of planning for the distribution of relief supplies by the U. S. Army in the field but also responsibility for the planning of potential requirements and the procuring of supplies in anticipation of the need. He was also charged with the responsibility of coordinating these activities with the military staffs of the United Kingdom and Canada. This latter task was effectively accomplished through the medium of the Combined Civil Affairs Committee. The details of these operations are so complex that they defy simple explanation, but the results are what we are most interested in.

I should like to relate to you just a few of these results. Please bear in mind that our Army officials—being men trained in the fine art of fighting and winning battles—were neither psychologically conditioned nor physically equipped for coddling and succoring the suffering civilian populations of the war-torn areas. Early in the war much criticism was heaped upon our military officials by the civilian agencies, the public, press, and radio. It was a favorite pastime around Washington to accuse the military of being short-sighted because of their strict adherence to a policy of supplying only those basic requirements necessary to prevent disease and unrest in the wake of battle. The facts, however, answer these criticisms very adequately. Through July of this year our combined military forces had delivered to Europe well over 10 million tons of supplies for civilian use. The figure itself challenges one's ability to visualize the mountainous quantities of food, clothing, coal, and other items comprising the total. In order to get a true picture, however, of the real significance of this accomplishment you must remember that while these supplies were being delivered we were carrying on the greatest military operation the world has ever seen. You will recall from the newspaper accounts of our military landings in North Africa, Sicily, Italy, and France that it was necessary to carry in the military supplies over the

beaches of those areas. It was also necessary to carry in large quantities of civilian supplies by the same method. One must visit these areas to appreciate the almost insurmountable task that confronted our Army engineers and supply forces in accomplishing this job. The destruction of the port areas through which all supplies were delivered in peacetime was so complete that when our Armies first moved in it looked as though it would be impossible to move in any sort of boat larger than a canoe. I visited many of these ports a few months after our Armies had landed and I must say that my reaction to the job that had been accomplished was one of tremendous admiration of the ingenuity our men of arms had displayed.

While inspecting the port of Naples, I was amazed at the innumerable American trucks running in almost continuous streams to and from large Liberty Ships docked at what appeared to be makeshift wooden piers. All of the old harbor installations had been completely destroyed, if not from the very effective bombing of our air forces, by demolition crews of the retreating German Army. The harbor itself was literally filled with sunken ships of all sizes from small barges up to luxury liners. Our Army engineers did not have the time to remove these sunken vessels so they merely constructed wooden piers out over the sunken ships, using the hulls or superstructures as supports. Upon checking the port receipts of this bustling area I learned that almost twice as much cargo was being received through the port as was ever received during peacetime. This was not a singular instance.

You will recall the glowing stories of the accomplishments of our Army and Navy engineers at Normandy, where they constructed floating piers far out into the Channel, so that both military and civilian supplies could be landed in that area. These installations were supplemented by amphibious tanks, trucks, jeeps, and landing barges. And during the first three months after the invasion of the French coast practically all of the supplies had to be carried in by such methods. After visiting such areas and for the first time beginning to realize the enormity of the physical task which had been accomplished, I went out into the remote areas of these devastated countries and visited both rural and urban populations, talked with officials and citizens of all characters, including the farmers, of Greece,

Italy, and France. I wanted to learn just how effective the supplies our Armies had delivered had been in relieving the suffering of these miserable groups. The inevitable answer was that even with the gigantic quantity of supplies being poured into these areas there was wide-spread suffering from extreme privation. In general, however, these long-suffering people were unbelievably grateful for the help and treatment they had received at the hands of our advancing Allied forces. Certainly they were cold almost to the point of freezing. Even in the early spring months of March and April I spent many shivering nights in the bleak, completely heatless, and in some instances partly destroyed houses and buildings of the areas I visited. In spite of all this, I learned that the daily diet of these people was slowly but surely increasing under the very effective handling of the distribution of both indigenous and imported supplies by our military authorities.

Another purpose for making this inspection trip was to learn what types of imported supplies were most urgently required and could be most effectively utilized. I soon learned that contrary to some reports in the public press the rural populations of all of these countries were leaving nothing undone that would aid in producing food for themselves as well as the total population of the areas. I saw Italian, Greek, and French farmers tilling every available inch of soil in spite of the fact that many of those fields were thoroughly posted with signs in three languages saying "Beware of the mines". In other areas I saw workmen busily prodding the ground with very crude sticks to locate mines and remove them. I saw some of these workmen killed and injured by the terrific explosion of these hideous weapons, and I was told time and time again that farmers or their oxen were being killed daily while plowing the fields, but never once did I see any indication on the part of these people to hesitate or shirk the tasks necessary to the production of their much-needed food.

I came away from these areas with the firm conviction that given the proper sort of aid these people could produce the major portion of their minimum food requirements. I was convinced that the number 1 problem of economic recovery in Europe was the supply of coal. That view has since been corroborated many, many times by technical ex-

perts, both civilian and military. So I should like to repeat that, while it is urgently necessary for large quantities of food to be shipped into liberated areas from the United States and other sources, in reality food imports are third on the priority list of import requirements. Number 1 is coal; number 2, transportation. Without these two items the economic life of Europe would come to a virtual standstill. All of the wheat, dairy products, and other food supplies which can be produced in these areas would be of little avail if the coal was not provided to run the transportation and the processing plants so that food can be delivered to the deficit areas and processed for human consumption. France, for instance, is a rather large producer of sugar beets, but during the last crop season because of the lack of fuel and transportation 250,000 tons of these valuable beets rotted in the field, and the whole world is short of sugar. Abundant wheat crops in the Macedonian area of Greece could not be transported to the mills and distributed to the needy areas because of the shortage of fuel and transportation. You may readily appreciate, therefore, that unless adequate coal is provided and the transportation systems properly repaired it will be necessary to import far greater quantities of consumable food items into these areas if actual starvation is to be prevented. It is not necessary to remind you that even if the minimum requirement of 2,000 calories of food per day is provided to these poor people they will suffer tremendous hardships, and many will freeze to death unless fuel is provided to run the power plants and other public utilities and provide *some* heat in the homes.

I think all of us readily understand the urgent need for fuel in Europe, but many do not understand why it is necessary to ship coal from the United States since several of the countries of Europe are major producers of this much-needed fuel. Since the Ruhr region in Germany alone produced almost 150 million tons of coal annually in normal times, it is difficult for our citizens to understand why the coal is not forthcoming from that area in ample quantities at this time. I shall relate to you as completely as possible the facts concerning the present production of coal in all of the European countries. First of all, it is common knowledge that the United Kingdom, which was formerly a major exporter of coal to the Continent, is now in a position that little or no coal

can be exported. The cause of this situation is readily understood when you recognize that coal production in the British Isles has been forced at such a tremendous rate during the long years of the war that they have now reached the point of diminishing returns. The British people have had to undergo pitifully small rations of coal for household use during the entire war and must continue to bear these hardships for some time to come. France normally produced in peacetime approximately 50 million tons of coal annually. Their normal consumption, however, is approximately 75 million tons. So it has always been necessary for them to import approximately one third of their coal supply. In normal times it is necessary for Italy to import approximately 15 million tons of coal annually, over half of her requirements. Norway produces practically no coal and therefore must import her entire needs. Belgium, Holland, and Luxembourg, although producing some coal, must also import substantial quantities to maintain a minimum economy.

Since the first landing of our troops on the shores of Sicily, Italy, Sardinia, and France, no effort has been spared in repairing, rehabilitating, and putting into operation every single coal mine as quickly as possible. Tremendous progress has been achieved. The coal mines of Sardinia were even made to produce at a rate greater than that of peacetime production. The coal mines of France are now producing at the rate of almost 80 percent of normal. All other mining areas of the Allied countries have shown comparable progress. Recognizing, however, that under even normal conditions these countries cannot produce nearly enough coal to supply their minimum requirements, it should be obvious that it is necessary to import large quantities. In addition, however, to supplying coal for their own civilian needs it was necessary for these countries to supply our Allied forces with more than 750 thousand tons of coal a month. Quantities almost that great are still being used by the Allied military forces in their redeployment activities.

Now let us review the situation in Germany. First of all, I will ask you to remember that Germany is a conquered enemy territory and not an ally, so when our armies moved through the areas the laborers and much of the civilian population, and particularly the forced labor employed in the mines in the Ruhr, fled for protection from the

raging battles, while in the Allied countries large numbers of the civilian population remained and workers quickly returned to their job as soon as the battle was over. In Germany, therefore, even though the destruction of the mines themselves cannot be considered extensive, our military authorities had to start from scratch in order to realize any production from this vital industry. In the Ruhr, where the major portion of the German coal is produced, approximately 350 thousand laborers normally worked in the mines. Even though the mines themselves had not been materially damaged much of the machinery and equipment had been allowed to deteriorate during the later years of the war. In addition to this, housing for the miners, industrial buildings, and particularly transportation facilities were unbelievably destroyed during the military operations, so that physically the job of repairing torn and twisted transportation facilities, rehabilitating and housing necessary for the miners and their families, bringing the miners back into the area, and replacing partly worn-out machinery and equipment is a task so tremendous that it cannot be accomplished in a short period of time. In spite of all this, the military authorities have been successful in building up the coal production in the Ruhr and other areas of Germany from zero to a rate of about 19 percent of the normal. I should like to remind the skeptics that after the last war it took five years to get the mines of Germany back to a normal rate of production. It will not take nearly so long this time, but you should readily see the German mines will not be able to produce sufficient quantities of coal to supply the very minimum requirements of our European Allies. So it is vitally necessary that we send every possible ton of coal to our European Allies during the next four or five months.

Even if it is possible for us to ship 8 million tons of coal across the Atlantic during this short period of time much privation and suffering is bound to occur due to the lack of fuel. This amount represents slightly more than one percent of our domestic production.

Please try to imagine yourself in the position of a French householder who has been allocated the pitifully small quantity of 800 pounds of coal, which must last him for the entire current year. Even then he cannot be assured of getting that quantity of coal unless we can realize continued

progress of the production of coal in Germany and a continuance of the present rate of export from the United States and other sources. Or try to visualize yourself in the position of a Norwegian householder who has been allocated no coal for household use but must go out and chop wood or hire someone to do it for him to provide fuel to prevent freezing in that cold climate. Remember that 800 pounds of coal would last the average American householder less than 15 days during the cold winter months.

In order to give you a more complete over-all report I should like to relate quickly the manner in which relief is presently being handled in liberated areas. You have been told before that the United Nations Relief and Rehabilitation Administration, the international relief agency, operates in only those areas where the governments themselves cannot financially or physically handle the job. UNRRA, therefore, has the tremendous task of handling the relief operations in Greece, Yugoslavia, Albania, Poland, Czechoslovakia, Italy, and Austria, in addition to handling tremendous displaced-person operations in the other areas of Europe. I have witnessed their operations in two of these countries, and contrary to some public reports I feel that they have done a magnificent job. They can do a much better job if we are determined that they shall succeed. Certainly we should realize that they must succeed. The other countries of west and northwest Europe—France, Belgium, Luxembourg, Holland, Denmark, and Norway—have attempted to assume the tremendous physical and financial burden of handling their own relief and rehabilitation activities. All of these countries are pitifully short of foreign exchange. Particularly since the end of the lend-lease agreement, these governments are finding it very difficult to provide the money for the necessary relief supplies. Most of them received very little civilian supplies through the lend-lease channel; they are all committed to pay for the supplies delivered to them during the period of military operations. The result is quite astounding. Belgium, for instance, has furnished more supplies to our U.S. armed forces on reverse lend-lease than we have furnished to her on direct lend-lease, yet she now must pay cash for the supplies being shipped to her from this country. All of these countries, however, are presently attempting to make arrangements for some long-term

financing. Obviously they will have to make some sort of credit arrangements, for they cannot continue to put their cash resources into food and coal, which they so urgently need but which will not produce any return on their investment.

In closing this report to you I should like to remind you again that it is vitally necessary that the public interest in this vital problem must continue to grow if we are to avert the disastrous consequences of wide-spread starvation and suffering in liberated areas. That public interest has been a prime factor in the winning of the war. Let us make it the driving force in the winning of the peace.

Concerning the Independence of Korea

Statement by THE PRESIDENT

[Released to the press by the White House September 18]

The surrender of the Japanese forces in Seoul, ancient Korean capital, heralds the liberation of a freedom-loving and heroic people. Despite their long and cruel subjection under the warlords of Japan, the Koreans have kept alive their devotion to national liberty and to their proud cultural heritage. This subjection has now ended. The Japanese warlords are being removed. Such Japanese as may be temporarily retained are being utilized as servants of the Korean people and of our occupying forces only because they are deemed essential by reason of their technical qualifications.

In this moment of liberation we are mindful of the difficult tasks which lie ahead. The building of a great nation has now begun with the assistance of the United States, China, Great Britain, and the Soviet Union, who are agreed that Korea shall become free and independent.

The assumption by the Koreans themselves of the responsibilities and functions of a free and independent nation and the elimination of all vestiges of Japanese control over Korean economic and political life will of necessity require time and patience. The goal is in view, but its speedy attainment will require the joint efforts of the Korean people and of the Allies.

The American people rejoice in the liberation of Korea as the Tae-gook-kee, the ancient flag of Korea, waves again in the Land of the Morning Calm.

Organization of an Advisory Committee for Trade Promotion and Protection

[Released to the press by the Department of Commerce September 17]

The Secretary of State and the Secretary of Commerce announce the organization of an advisory committee of representative businessmen to review current methods of trade promotion and protection by the Foreign Service of the United States, with a view to adapting them to new and changing conditions. The committee is composed of H. F. Sheets, chairman of the board of directors, Socony-Vacuum Oil Co., representing the Chamber of Commerce of the United States; F. Scott Fletcher, Executive Director, Committee for Economic Development; Francis L. Hopkinson, vice president, Willis-Overland Motors, Inc., representing the National Association of Manufacturers; Morris S. Rosenthal, member of Stein, Hall & Co., Inc., representing the National Council of American Importers; J. G. Fletcher, vice president, Caterpillar Tractor Co., representing the National Foreign Trade Council; John P. Gregg, executive director, United States Associates, International Chamber of Commerce; and Wilbert Ward, vice president, National City Bank, and Clarence E. Hunter, vice president, New York Trust Co., representing the Bankers Association for Foreign Trade.

For some time the Departments of State and Commerce have been considering the methods employed by the Foreign Service in providing information on conditions in foreign countries of interest to business and industry in the United States, and otherwise promoting and protecting its foreign trade. In an endeavor to improve and expand these activities and adapt them to new and changing conditions, the two Departments have invited the assistance of an advisory committee of representative businessmen to be nominated by seven of the leading business and industrial organizations in the United States. The complete cooperation of these associations has been immediately forthcoming.

Representatives of the Departments of State and Commerce will participate in discussions with the committee, and will furnish it with required information regarding the activities and organization of the Foreign Service. Joint meet-

ings will be conducted under the chairmanship of Amos E. Taylor, Director, Bureau of Foreign and Domestic Commerce.

The advisory committee will examine, and formulate recommendations regarding (a) commercial and other economic reporting by the Foreign Service for the use of business interests in the United States and regulations and instructions regarding such reporting; (b) regulations and instructions regarding the promotion and protection of foreign trade; and (c) the practices of the Foreign Service in rendering direct assistance to United States importers, exporters, and businessmen visiting or resident abroad.

It is planned that the committee will function informally, submitting its advice and recommendations whenever the occasion may arise. A formal report is not envisaged, in as much as the chief benefits are likely to accrue from the exchange of ideas between the members of the committee and the departmental representatives. It is anticipated that an important feature of the work of the committee will be the polling of views of members of the business associations represented on the committee, and of others interested in foreign trade who may have constructive criticisms and suggestions to present to the committee.

Decision To Revert to Former Use of "Siam" and "Siamese"

NOTE FROM THE THAI CHARGÉ D'AFFAIRES
AD INTERIM TO THE SECRETARY OF STATE

THE ROYAL THAI LEGATION

Washington, D. C.

The Thai Charge d'Affaires a.i. presents his compliments to His Excellency the Secretary of State and has the honour to inform him that, in conformity with a notification of the Presidency of the Council of Ministers, dated September 7th 1945, it has been decided to discard the use of the terms "Thailand" and "Thais" and to revert to the former and more widely known nomenclature of "Siam" and "Siamese".

This decision, which is applicable in the case of foreign languages, will effect no change in the Thai language in which the term "Thai" has been invariably employed.

SEPTEMBER 10TH, 1945

Preparatory Commission of the United Nations

PROPOSALS BY LEADER OF U.S. DELEGATION¹

[Released to the press by the Preparatory Commission of the United Nations September 7]

Speaking as leader of the United States Delegation to the Executive Committee of the Preparatory Commission of the United Nations, Mr. Stettinius made the following proposals this morning at Church House, Westminster:

1. In view of the end of the war with Japan and the likelihood of sufficient ratifications to bring the Charter into effect early in October, the Executive Committee should accelerate its work so that it will be prepared to call a meeting of the full Preparatory Commission by October 15, 1945.

2. The Executive Committee should recommend to the Preparatory Commission the following program to bring the United Nations Organization into effect:

a. A comparatively brief meeting of the General Assembly to be held in London within a

month of the date of the first meeting of the Preparatory Commission—we would hope about November 15. This Assembly would be primarily of a constituent and organizing character and would bring into being the Security Council, the Economic and Social Council, and the Secretariat.

b. The first regular annual meeting of the Assembly to be held next spring, possibly on April 25, 1946, the first anniversary of the San Francisco conference.

c. The various Councils to adjourn at the end of the constituent Assembly to meet again early in January at the place chosen as permanent headquarters and remain in continuous session until the first annual meeting in the spring. In this period the Secretariat would have an opportunity to organize itself and prepare for the first annual Assembly meeting.

REMARKS BY LEADER OF U.S. DELEGATION

[Released to the press by the Preparatory Commission of the United Nations September 7]

Mr. Chairman, I would first like to express my great appreciation for the generous sentiments expressed by my friend Wellington Koo, and to thank each of you for the warm welcome which you have given me in London.

This moment takes me back to Dumbarton Oaks, back to San Francisco, where I had the privilege of working with so many of you who are now in this room. We started a very important movement at Dumbarton Oaks, carried it forward at San Francisco, and I have full confidence that we are going to have the same success in London in carrying the work one step further that we had in those other places.

I wish to say a word of apology for not having arrived in London sooner. It was necessary for me to remain in Washington throughout the Senate hearings which led up to the ratification of the Charter, and to clean up certain other matters in the State Department before leaving the country. I hope that you all followed the debate of the Charter in the United States Senate and the favorable vote which was accorded the Charter so promptly.

I understand that the Executive Committee has decided that the work this autumn in London should proceed on a minimum schedule with a view of having a meeting of the Assembly at an early date. I wish to say very promptly that I believe that this is a very wise decision.

Since the Committee began its work the war with Japan has come to an end, and I believe that this makes more important than ever the early establishment of the United Nations Organization. I feel the United Nations Organization should come into existence at the earliest possible moment. The ship should leave the dock fitted, not for a trial run but for her run to the sea, as a going enterprise. Otherwise I feel there might be attempts made to deal with problems of post-war economic and security affairs in other ways, to deal with them perhaps on a regional basis rather than on a world basis, and I feel that the ideal and the dream that we have all had for this strong United Nations of the world might somewhat lose its force unless we bring it into being while the iron is hot, as we come out of battle.

¹ E. R. Stettinius, Jr.

The wartime collaboration of the United Nations must be continued in the peace without a break, from the standpoint of public psychology the world over. If we cannot prove to the world that the United Nations are going to be as strong in the peace as they were in the war, we will suffer a set-back. I feel there must be no break in that continuity. The public has a right to expect, I believe, the establishment of the world organization, that is, the physical, mechanical establishment, just as soon as the Charter comes into force.

A recent report that I have received, after having a very careful check made in the capitals of the United Nations, indicated that 18 countries have already ratified and that early in October there will be approximately 30 on the list. You will recall that we need only 29 before the Charter comes into force. So we are probably within three weeks of having the necessary ratifications, making it possible for the Charter actually to come into force.

The Organization, of course, cannot function until a meeting of the Assembly, which must take certain steps and elect certain bodies. Among those matters of importance are, of course, the election of the six non-permanent members of the Security Council, the election of the Secretary-General, and the election of the members of the Economic and Social Council. Only when these things have been accomplished can the Organization actually function and take up the important world issues that await the United Nations.

Now if we can get the Assembly and the Councils at work soon, they will be able to give the necessary expert attention to the pressing problems of security agreements, of economic reconstruction, social rehabilitation, the problems of health and transportation, and those other matters that are knocking on the door of each one of us day and night.

Above all we should avoid the danger of letting the United Nations Organization be forgotten or eclipsed by other events or the creation of *ad-hoc* bodies to deal with temporary questions on a temporary basis.

A possible objection to a rather early meeting of the Assembly, I think, which would be apparent in the minds of each of us, is that perhaps some of the countries who signed the Charter at San Francisco would not yet have ratified, and therefore not be in a position to qualify for a seat.

I feel that this objection could be easily met if the Preparatory Commission announced its desire to have an early meeting of the Assembly for organizational purposes, and in the event that there was some country whose parliament could not act until an election had taken place that country could be seated as a matter of courtesy, but without a vote. I think that might possibly be something which should be considered.

Now in view of what I have said, gentlemen, I wish to make a suggestion in the name of the United States of America along the following lines. Since it seems likely that the necessary ratifications will be completed early in October, on the basis of our information, as I have said, I feel that we should aim, and agree to aim, to convene the Preparatory Commission around the middle of October and to convene an organizational meeting—a business meeting—of the Assembly around the middle of November, to take the necessary steps to put the Organization actually into operation.

These meetings should both be held in London and should be of about two or three weeks' duration. The Assembly, as I have said, would be of a constituent, organizational character, but, if it were felt wise, matters could be called to the attention of the Assembly that require action by the Economic and Social Council and the Secretariat. We should recommend to this constituent Assembly the calling of the first regular annual meeting of the Assembly next spring, which would be the great world event that we have all anticipated, and the first business of the Assembly would, I feel, in no way detract from the annual meeting next spring.

I would think that it would be perhaps sentimentally of interest to consider having the first Assembly meet on April twenty-fifth, the anniversary of the day we met in San Francisco, and incidentally the birthday of one of our distinguished colleagues, Mr. Jebb (*addition from sideline*: "Professor Webster's too"), and Professor Webster's birthday too. The various Councils, if they could be elected this autumn, could adjourn at the end of the constituent Assembly meeting and meet in January at whatever place was selected as our permanent headquarters. My view would be that they would remain in continuous session—the Economic and Social Council, the Security Council, and so forth—until the meeting of the Assembly in the spring.

This period would also give the Secretariat an opportunity and time to organize itself and to prepare thoroughly and carefully in a workmanlike manner for the first meeting of the Assembly.

This means that the work program of the Executive Committee in which we are presently engaged and the subcommittees could be speeded up. Along that line it is suggested that the three subcommittees which have not yet met could be called to meet rather promptly. The Executive Committee and the subcommittees should review their entire work with a view of giving priority to the items of organizational and procedural nature rather than to those of a substantive nature, which perhaps could be done more thoroughly next winter than in a rather hurried way now. It might also be advisable to plan continued meetings of the Executive Committee and subcommittees during the time that the Commission actually meets, in order to wind up last-minute details.

ESTABLISHMENT OF MACHINERY OF UNITED NATIONS ORGANIZATION

[Released to the press by the Preparatory Commission of the United Nations September 17]

Sixteenth meeting of the Executive Committee of the Preparatory Commission of the United Nations held at Church House, Dean's Yard, Westminster, London, at 11:15 on Monday, 17th September 1945.

The Executive Committee of the Preparatory Commission of the United Nations agreed today on some of the most urgent dates for establishing the machinery of the United Nations Organization. The Executive Committee is to conclude its work by October 15th, if possible, and not later than November 1st. The Preparatory Commission is to be convoked on or about November 1st and not later than November 15th and the General Assembly should be convoked, if possible, not later than December 4th. The resolution as agreed on in today's meeting of the Executive Committee at which M. Massigli presided and which was also attended by Dr. Evatt (Australia) reads as follows:

The Executive Committee of the Preparatory Commission of the United Nations.

Convinced of the urgent need for permanent machinery through which the nations of the world can solve their international problems peacefully and in the common interest.

Recognising that such machinery is within their

This program we believe will enable us to make the most effective contribution towards the setting-up of the United Nations Organization just as soon as it is humanly possible to do so.

Finally, I wish to emphasize again that in our view such an Assembly, though largely of a constituent character, would be able to call attention to the urgent world problems facing us at the moment—not necessarily for long debate but to call attention to them and for reference to the various Councils.

The world, gentlemen, I believe, is waiting for action. They expect the United Nations to come into being. They will be, I am sure, terribly disappointed if there is any interruption in the continuity of the collaboration of the United Nations in peace, as they were victors together in war. I would hope that you could consider the proposal I have made in order that we may bring the United Nations into being just as soon as possible.

reach—in the Charter of the United Nations, and Believing that no time should now be lost in establishing the United Nations.

Hereby Agree

1. To urge those signatories of the Charter that have not yet deposited their ratifications with the Government of the United States of America to take promptly whatever steps are necessary to this end.

2. To conclude the work of the Executive Committee by October 15 if possible and not later than November 1.

3. To convoke the Preparatory Commission on or about November 1 and not later than November 15, provided the necessary ratifications have been deposited as required by the Charter and that a fortnight's interval elapses between the conclusion of the work of the Executive Committee and the first meeting of the Preparatory Commission.

4. To recommend to the Preparatory Commission that the General Assembly should be convoked in London in its first meeting as soon as possible after the meeting of the Preparatory Commission and if possible not later than December 4.

5. To recommend to the Preparatory Commission:—

(a) That the first session of the General Assembly be divided into two parts.

(b) That the first part should be primarily organisational in character, but also prepared to refer urgent world problems to the appropriate organs of the United Nations which will have been established during this first part of the session of the General Assembly.

(c) That the Assembly would then adjourn to allow the organs of the United Nations to proceed promptly to organise themselves and undertake their respective tasks.

(d) That during the interval any Committees appointed by the General Assembly should concern themselves only with the subject matter referred to them by the General Assembly.

(e) That the second part of the first session of the Assembly should be convened as early in 1946 as the organisation and work of the several organs of the United Nations permit and preferably not later than April 25.

Resumption of Private Trade Between the United States and Greece

[Released to the press September 19]

The resumption of private trade between the United States and Greece, effective immediately and subject to certain limitations and requirements, has been announced by the respective Governments.

American exporters should bear in mind that, in view of the limited foreign-exchange resources in Greece at the present time, the Greek Government plans to continue the system which has previously been in force whereby a separate import license, including foreign-exchange authorizations, will be required for each order. Moreover, the Greek Government is announcing that for the time being the commercial importation of items included in the United Nations Relief and Rehabilitation Administration's procurement program will not be permitted; this restriction is imposed in order to avoid the danger of large-scale imports beyond the immediate requirements of Greece. Greek importers are also being advised that applications for import licenses must be accompanied by evidence that the supplier involved has made a firm offer of the goods in question.

¹ BULLETIN of Sept. 16, 1945, p. 397.

For short-supply commodities which still require United States export licenses, as indicated in the Foreign Economic Administration's Current Export Bulletin 276,¹ the American exporter must apply to FEA for an export license. FEA is publishing in a Current Export Bulletin the steps necessary to secure a United States export license.

For commodities to be exported from Greece to the United States, the Greek exporter must secure an export license from the Greek Ministry of National Economy, which will pass upon each application in the light of the existing supply in Greece of the commodity in question.

In regard to payments for the commercial transactions, the United States importer, after receiving notification from the Greek exporter of the availability of the commodity, will secure a license from the Treasury Department to pay for the import by crediting the United States blocked account of the Greek consignor or a banking institution in Greece. Likewise, the Greek importer will make arrangements with the Bank of Greece for the payment, subject to United States Treasury Department license, to the American exporter from the blocked account of the Bank of Greece.

The United States exporter should apply directly to a shipping company for space for his cargo. Similarly, the Greek exporter will arrange for shipping space directly with a shipping company in Greece.

Ratification of Charter of United Nations

[Released to the press September 20]

New Zealand

C. A. Berendsen, C.M.G., Minister of New Zealand, on September 19 deposited with the Department of State the New Zealand instrument of ratification of the Charter of the United Nations and the annexed Statute of the International Court of Justice. New Zealand is the fifth nation to complete action necessary to bring the Charter into force.

Other governments which have deposited instruments of ratification are the United States on August 8, France on August 31, the Dominican Republic on September 4, and Nicaragua on September 6.

General Policy Statement of the Export-Import Bank of Washington

[Released to the press by the Export-Import Bank of Washington
September 11]

1. Authority

The Export-Import Bank¹ was established in 1934 as a banking corporation organized under the laws of the District of Columbia. The Bank was continued as an agency of the United States by acts of Congress in 1935, 1937, 1939, and 1940 and was made a permanent independent agency of Government by the Export-Import Bank Act of 1945, the text of which is appended to this statement.²

2. Purpose

The purpose of the Export-Import Bank of Washington, as laid down by Congress, is to aid in "the financing and facilitating of exports and imports and the exchange of commodities between the United States or any of its Territories or insular possessions and any foreign country or the agencies or nationals thereof". All of the operations of the Bank are and must be related to this fundamental purpose.

3. Powers

The Export-Import Bank has been given broad powers to do a general banking business and to make practically any type of loan, without limitation as to the amount of loans to any one borrower, in so far as the exercise of these powers is necessary to carry out its fundamental purpose of assisting in the financing of United States foreign trade. (See Section 9 for a statement of transactions expressly forbidden to the Bank or excluded by reason of its general policies.)

4. Sources of Funds

In addition to its capital stock of \$1,000,000,000 subscribed by the United States, the Bank is authorized to borrow from the Secretary of the Treasury on the evidence of its own debentures or other acceptable obligations an amount not in excess at any one time of two and one-half times its authorized capital stock. The earnings of the Bank provide an additional source of funds.

5. Limitation on Loans and Guaranties

The Bank shall not have outstanding at any one time loans and guaranties in an aggregate amount in excess of three and one-half times its authorized capital stock, or \$3,500,000,000. However, over a period of time the Bank can obviously handle a total volume of business larger than this amount because of participations by private banks with the Export-Import Bank without its guaranty, because of sales by the Bank to private persons of paper from its portfolio without its endorsement or guaranty, and because of the release of funds through repayments.

6. Organization

The Export-Import Bank Act of 1945 places the management of the Bank in a Board of Directors consisting of the Foreign Economic Administrator as Chairman (so long as the Foreign Economic Administration shall exist), the Secretary of State, and three full-time directors appointed by the President of the United States by and with the advice and consent of the Senate. Not more than three of the five members of the Board shall be members of any one political party. Participation by other Government agencies in shaping the policies of the Bank is provided through an Advisory Board consisting of the Chairman (at present the Foreign Economic Administrator), the Secretaries of State, Treasury, and Commerce, and the Chairman of the Board of Governors of the Federal Reserve System.

The National Advisory Council created by the Bretton Woods Agreements Act has the same membership as the Advisory Board of the Export-Import Bank, except that its Chairman is the Secretary of the Treasury. It is responsible for coordinating the policies of the Export-Import Bank with those of the United States representatives on the Bretton Woods organizations and with all other agencies of the Government to the extent that they make foreign loans or engage in foreign financial transactions.

¹ For an article on the Export-Import Bank, see BULLETIN of Dec. 3, 1944, p. 663.

² Not printed. See Public Law 173, 79th Cong.

The close working relationships between the Bank and the Departments of State, Treasury, Commerce, Agriculture, and the Board of Governors of the Federal Reserve System, as the permanent agencies of Government primarily concerned with foreign economic operations, serve to keep them fully informed regarding individual loan projects under consideration by the Bank and give them full opportunity to call attention to any possible conflict between the day-to-day activities of the Bank and their activities in carrying out the international economic program of the United States. They have also facilitated access by the Bank to the information and technical services of these Departments and the Federal Reserve Board and in this way enabled the Bank to limit the size of its own technical staff.

The operations of the Bank are administered by its officers and staff under the general supervision of the Board of Directors.

7. Basic Principles

Since its organization in 1934, the Export-Import Bank has been guided in its lending operations by the following basic principles:

(a) In accordance with the statutes governing its activities, *the Bank makes only loans and guaranties which serve to promote the export and import trade of the United States.* The Bank promotes foreign trade directly by financing exports and imports as specific transactions and by financing exports in connection with development projects and programs in foreign countries. Loans of the latter type have a further indirect effect upon United States foreign trade; for they assist in building up the economies and raising the levels of income of foreign countries, which thereby become better markets for American products and better suppliers of imports to this country. Thus, the Export-Import Bank is guided in its lending policies by the demonstrated fact that the best trading partners of the United States are countries which have reached the highest state of economic development.

(b) In accordance with its established practice and as explicitly provided in the Export-Import Bank Act of 1945, *the Bank makes loans generally only for specific purposes.* A corollary of this principle is that disbursements under a commitment by the Bank are made only upon receipt of evidence satisfactory to the Bank that the purposes of the loan have been carried out

by the borrower. Conversely, the Bank does not make lump-sum advances for use as the borrower sees fit.

(c) As a matter of prudent management and as required by law, *the Bank makes only loans which offer reasonable assurance of repayment.* The restriction of loans to specific purposes is an important means to this end, as is also the spread of maturities over the productive life of a project in order to facilitate repayment. Furthermore, all loan applications are carefully analyzed by the Bank's staff from the legal, engineering, and economic points of view and must be approved by its Board of Directors.

(d) As a general rule, *the Bank extends credit only to finance purchases of materials and equipment produced or manufactured in the United States and the technical services of American firms and individuals as distinguished from outlays for materials and labor in the borrowing country or purchases in third countries.* The reasons for doing so are principally two: (1) The limited resources of the Bank should be used with rare exceptions solely for the purpose of directly financing and facilitating United States foreign trade; (2) foreign countries should not ordinarily assume external indebtedness to finance expenditures in local currency.

(c) In accordance with its own rule and the express instruction of Congress, *the Bank does not compete with private capital but rather supplements and encourages it.* The activities of the Bank are confined, therefore, to dealing with certain types of risks which private banks are not in a position to assume without government assistance and with other risks which they are not prepared to assume at all.

The principle of noncompetition with private lending institutions is further carried out by the readiness of the Export-Import Bank to sell paper which it has acquired and by arrangements under which the Export-Import Bank undertakes in advance to purchase from commercial banks notes arising out of specified transactions financed in the first instance by the commercial banks.

8. What the Bank Finances

The Export-Import Bank is prepared to assist, under proper conditions, in financing exports from the United States and imports into the United States of products of all kinds. It is also prepared to aid in the purchase of engineering

and other technical services in the United States. As a matter of practice, however, its assistance is required primarily in facilitating exports of tangible commodities the sale of which involves extended terms of credit. Exports of commodities may be financed on the basis of values f.o.b. the inland point of shipment, f.o.b. the landport or seaport of exit from the United States, or c.i.f. a foreign port.

The Bank's financing of exports is of two general types. The first type consists of credits for the benefit of individual United States exporters to facilitate the sale abroad of specific materials or equipment. The second type consists of a line of credit in favor of a foreign government, a foreign bank, or a foreign firm, to be available during a stipulated period of time, for the purpose of facilitating the purchase in the United States of specific materials, equipment, and services. Although different in form, the two types of credits obviously serve a single purpose. It is often a matter of choice or convenience whether a given transaction or set of transactions is financed by extending credit to American exporters or by making a loan to a foreign country or purchaser. Thus, it is clearly preferable from the point of view of ease of administration to make an arrangement with a foreign government or purchaser rather than separate arrangements with each of several hundred United States suppliers who may be providing equipment for a given project. The difference between the two types of operations is made even smaller by the fact that the guaranty of a foreign bank or government is usually required as a condition of credits extended on the application of individual United States exporters without recourse to them (i.e., credits involving no liability on the part of the exporter in the event of default by the foreign debtor).

9. What the Bank Does Not Do

There are a number of things which the Export-Import Bank is expressly prohibited from doing under existing law or which are excluded by its general policies. Thus,

(a) The Bank does not compete with private banks and does not, therefore, extend credits when private credit is available in adequate amounts and on reasonable terms.

(b) The Bank is prohibited by its charter from purchasing stock in any corporation. In other

words, the Bank is not permitted to engage in equity financing.

(c) The Bank does not make lump-sum advances for use as the borrower sees fit.

(d) The Bank is not authorized by the language of the Export-Import Bank Act of 1945 to finance trade between the United States and its Territories or insular possessions. This means that the Bank may not assist in financing trade between continental United States and Puerto Rico, the Virgin Islands, Alaska, Hawaii, the Philippines, or other possessions in the Pacific or between any two of these Territories or possessions. However, the Bank may finance export or import transactions between United States Territories or possessions and foreign countries.

(e) The Bank does not ordinarily finance local currency expenditures.

(f) The Bank does not assume any obligation or responsibility for the issuance by any agency of the United States Government of any priority, allocation, permit, or license which may be required by law or regulation for the procurement and export of any commodity which it may finance. Nor does the Bank attempt to give advice to borrowers on possible suppliers of exports which it finances.

(g) The Bank does not undertake to select engineering or other technical firms or individuals whose services may be sought by foreign borrowers in connection with projects financed by the Bank, although it does require competent engineering and other technical direction of such projects and will finance long-term contracts providing for payments for engineering or other technical services.

10. Who May Apply for Credit

The facilities of the Export-Import Bank are open to United States exporters either of goods or of engineering and other technical services, to United States importers, and to foreign governments, the agencies of foreign governments, and foreign firms and individuals. In brief, the Bank's facilities are accessible to any one requiring assistance and to whom the granting of assistance will aid in the financing of United States foreign trade.

The Export-Import Bank Act of 1945 released the Export-Import Bank from the pre-existing prohibition against loans by the Bank to foreign governments in default on their obligations to

the United States Government. The Act also permits any individual, partnership, corporation, or association to participate with the Export-Import Bank in any of its authorized transactions and thus sets aside, with respect to participations with the Bank, the provisions of the so-called Johnson Act prohibiting loans by private persons to such governments.

11. How to Apply

United States exporters, both of goods and of engineering and other technical services, or United States importers who wish to apply to the Bank for credit may do so by writing directly to the Export-Import Bank of Washington, Washington 25, D. C., or, preferably, by seeking assistance from the Bank through their own commercial banks. It is recommended that the applicant consult his bank in any case, since in most cases it will be familiar with the facilities of the Export-Import Bank and will be able to judge whether or not the assistance of the Export-Import Bank is necessary and appropriate. Banks may obtain further information with respect to Export-Import Bank policies and procedures from their local Federal Reserve Banks.

The following information is essential for the consideration by the Bank of applications from domestic exporters (and, with appropriate modifications, also for the consideration of applications from domestic importers):

- (a) Description of commodity to be financed.
- (b) Name of foreign country to which the exports to be financed are destined and the name of the foreign purchaser.
- (c) Justification for seeking the assistance of the Export-Import Bank, including a statement of the credit terms to be extended to the purchaser and suitable evidence that neither the seller nor his bank is in a position to finance the transaction.
- (d) Amount of credit desired and proposed terms of repayment.
- (e) Commercial bank and trade references.
- (f) Comparative balance sheets and profit-and-loss figures for the preceding three years.
- (g) In certain cases, cost sheets or other evidence of cost.
- (h) Brief statement of history and experience.
- (i) Credit information regarding the purchaser.

(j) Names of possible guarantors, together with an indication as to whether the guaranty of a foreign bank or government has been promised.

(k) Any other information which would be useful to the Bank in appraising the credit risk involved.

Authorized representatives of foreign governments may apply directly to the Export-Import Bank for credits or may initiate discussions through United States embassies and legations in their respective countries. In the consideration of applications from foreign governments or their agencies, the following information is necessary:

(a) Purposes for which the credit is to be used, including lists of materials, equipment, and services to be purchased in the United States and their suppliers (if known) and, when specific projects are involved, engineering and economic surveys.

(b) Justification for seeking the assistance of the Export-Import Bank, including satisfactory evidence that private credit is not available.

(c) Amount of credit desired and proposed terms of repayment.

(d) Statement of external assets of the country in the form of gold and foreign exchange, showing official holdings separately from private holdings and holdings of dollars separately from holdings of other currencies.

(e) Current and prospective rate of gold production.

(f) Statement of the international investment position of the country at long-term and short-term, including major commitments pending or contemplated, and an estimate of the amounts of interest and amortization due annually over the life of the loan on external fixed-service obligations.

(g) Summary of the record of the country as regards the payment of external debt and statement of the default status of outstanding external obligations.

(h) Analysis of the capacity of the country to repay on the basis of its current and prospective balance-of-payments position.

(i) Satisfactory assurances that dollars will be made available by the monetary authorities of the country to meet payments of interest and principal to the Export-Import Bank as they fall due.

Foreign applicants other than governments or their agencies may apply directly to the Bank, but the support of their governments will ordinarily

be required before a credit can be negotiated. The information required of such applicants consists of items (a), (b), and (c) in the itemization applicable to foreign governments and items (e), (f), (h), (j), and (k) in the itemization applicable to domestic firms or individuals.

12. Advance Commitments

United States exporters who desire to bid on foreign business may apply to the Export-Import Bank for credit with a view to securing commitments in principle in advance of the submission of bids. When more than one United States exporter is interested in obtaining a given order, the Bank will indicate identical or similar terms to all qualified bidders in order that the successful bidder, if a United States exporter, will be determined solely on the basis of price, quality, and proposed delivery schedule, rather than upon any advantage in credit terms created by the Bank.

The Bank does not look with favor upon requests for assistance from exporters who have not consulted it prior to making credit engagements to foreign buyers.

13. Non-Recourse Financing

The percentage of the credit risk involved in any export or import transaction which the Export-Import Bank will assume without recourse on the exporter or importer depends upon the circumstances in each case. Under present conditions, non-recourse financing of exports by the Bank almost invariably requires the endorsement or unconditional guaranty of a foreign bank or foreign government.

14. Maturities

The maturities of credits granted by the Export-Import Bank are arranged in accordance with the circumstances in each case. Generally speaking, the financing of trade in consumption goods is limited to relatively short-term credits. On the other hand, the financing of trade in durable productive equipment may be on terms extending over a period of years. Where extended terms are involved, principal amounts are ordinarily made payable in equal instalments beginning with the first or some subsequent interest date.

15. Interest Rates

The rate of interest charged by the Export-Import Bank depends upon the type of credit

involved in each case, is computed on the outstanding balance, and is usually payable semi-annually. The Bank is obliged to charge interest sufficient to cover the cost of its own funds, defray its administrative expenses, and accumulate a reasonable reserve against losses in order that the Bank may be self-sustaining. The Bank is also bound to consider market rates of interest in order to avoid what might be construed as competition on a rate basis with private sources of credit. Interest rates are uniform to all borrowers for any given type of credit.

16. Security

Loans to domestic exporters, importers, and manufacturers are usually made on the basis of the credit standing of the borrower, supplemented by the guaranty of a foreign bank or government in the case of loans made without recourse to the applicant. Credits to foreign governments and their agencies are made on the basis of the general credit of the country or agency, supplemented where desirable and appropriate by a pledge of specific revenues or specific receipts of dollar exchange. The Export-Import Bank attempts to arrange the terms and conditions of its loans in accordance with the circumstances in each case and with a view to creating the type of obligation which is most suitable from the point of view of both the borrower and the Bank.

17. Aid to Small Business

As a special aid to small and medium-sized firms engaged in exporting, the Export-Import Bank extends credit lines to individual firms which are experienced and of good repute, but which are hampered by lack of capital in obtaining adequate accommodation from private sources. These credits are revolving and are available for limited periods, generally from year to year, upon presentation for discount by the Bank through its agent bank of drafts on approved foreign purchasers. These credits are designed especially to help small firms increase their export commitments without the necessity of raising additional capital. Comparable facilities are available to small and medium-sized firms engaged in importing.

18. Relations With Commercial Banks

It is a cardinal principle of the Bank's operations that it does not compete with private banks. This principle is carried into effect in a number of ways. As indicated above, the Export-Import

Bank prefers to receive applications for loans from private firms and individuals through commercial banks to insure that private credit is not available. The Bank attempts to secure the maximum participation by private banks in credit arrangements to which it is a party. The Export-Import Bank commonly uses the facilities of commercial banks for making funds available to borrowers under lines of credit, receiving payments of interest and principal, and for handling other matters in connection with the extension and collection of credits. The Export-Import Bank enters into agreements with commercial banks under which it undertakes in advance to purchase from them notes arising out of specified transactions financed in the first instance by the commercial banks. It stands ready in turn to sell to commercial banks or other private investors paper from its own portfolio.

By using the services of commercial banks and other private organizations to the fullest extent possible, the Export-Import Bank is able to keep its own operating personnel at a minimum.

19. Relationship to International Bank for Reconstruction and Development

The Export-Import Bank will not compete in any sense with the proposed International Bank for Reconstruction and Development. This will obviously be true during the period before the International Bank comes into being. It is also true with respect to short-term and medium-term credits to United States exporters and importers, because this is a field in which the International Bank will not operate. With respect to long-term loans to foreign governments, the activities of the Export-Import Bank and the policies of the United States representatives on the International Bank will be coordinated by the National Advisory Council on International Monetary and Financial Problems, as provided in the Bretton Woods Agreements Act. The making of long-term loans to private foreign companies by the Export-Import Bank and the International Bank will be coordinated in the same way.

20. Marine Transportation

Public Resolution 17, 73d Congress, requires that exports of agricultural or other products fostered by loans made by any instrumentality of the United States Government shall be carried exclusively in vessels of United States registry

unless it is determined by proper authority after investigation that such vessels are not available in sufficient numbers, or in sufficient tonnage capacity, or on necessary sailing schedule, or at reasonable rates.

Financial and Trade Discussions Between the United States and Belgium

[Released to the press September 19]

A Belgian delegation headed by Foreign Minister Paul Henri Spaak on September 19 opened a series of financial and trade discussions with representatives of the United States Government. Conferences are expected to continue for a week or ten days and will run simultaneously with similar United States-British negotiations which began last week.

Chairman of the United States conferees is Willard L. Thorp, deputy to Assistant Secretary of State W. L. Clayton. Charles Sawyer, United States Ambassador to Belgium, is en route to Washington and will participate in the discussions.

The conferences were arranged at the request of the Belgian Government, which indicated that its representatives would wish to discuss problems arising from the termination of lend-lease and Belgian reciprocal aid, the maintenance of the flow of essential United States exports to Belgium and the financial problems involved, the provision of Belgian supplies to the United States armed forces abroad as well as Belgian exports generally to the United States, the release of Belgian blocked assets in the United States, and the general framework of United States-Belgian economic and financial relations.

Belgium is the only country whose deliveries to the United States under reciprocal aid exceeded its receipts from the United States under lend-lease. Straight lend-lease transfers were about \$60,000,000, while reciprocal aid from Belgium amounted to about \$178,000,000.

Other members of the Belgian Delegation are: Paul Kronacker, Minister of Foreign Supplies; Camille Gutt, Minister of State; Baron Hervé de Gruben, Minister Plenipotentiary of the Ministry of Foreign Affairs; Baron René Boel, Counselor of the Belgian Government; and Lt. Col. Joseph Jacquin, Chief of the Office of Mutual Aid.

International Cooperation in Housing

By

JACOB CRANE¹

HOUSING is recognized as one of the major world problems of post-war reconstruction. A world-wide housing crisis is here. The National Housing Agency of the United States is developing cooperation with other countries in this field so that knowledge of methods can be pooled and advance can be more rapidly made. This activity is being planned in cooperation with a number of Government agencies and the Department of State and relates to the Government-wide program of cultural and scientific cooperation with other countries sponsored by the Interdepartmental Committee on Cultural and Scientific Cooperation.

Before the war most countries suffered from slums and from a general deficit of satisfactory housing and also from an inability to keep their housing facilities abreast of the growth of the population, particularly in urban areas. Measured by local standards and local conditions, in 1938 at least a hundred million families all over the world lived in houses considered definitely substandard. During the war normal building has been virtually at a standstill, although the number of families has in general increased, thus adding to the deficit of housing. The war has destroyed or damaged millions upon millions of homes, normal maintenance has fallen behind, and deterioration has continued at an accelerated rate. These are the roots of the world crisis in housing.

Each of the United Nations has begun studying its national housing problem and is trying to prepare for the vast transition and post-war housing job—a major issue of public policy in many countries, including the United States. New ideas and techniques have begun to emerge, both from the necessities of the war itself and from other recent experience. A great world housing program is in prospect. Here is an excellent opportunity for peacetime cooperation between nations.

In the present situation, with national and world problems in housing looming so large and so urgent, the national governments are taking the lead. Housing is still, to be sure, primarily a local

The Interdepartmental Committee on Cultural and Scientific Cooperation was created, at the suggestion of the President, early in 1938 as an instrument of the United States Government to undertake a permanent, cooperative program for the development of economic, cultural, and scientific relations and to coordinate the activities of departments and agencies of the Government, under the leadership of the Department of State, in undertaking cooperative projects in these fields in the Western Hemisphere. Until December 20, 1944, the Committee was known as the Interdepartmental Committee on Cooperation With the American Republics. Under the Chairmanship of the Assistant Secretary of State for public and cultural relations, William Benton, the Committee is coordinated by an Executive Director, Raymond L. Zwemer. The Executive Director and the Secretariat are officers of the Department of State in the Office of International Information and Cultural Affairs.

responsibility, handled by local governments and by local and regional public and private agencies. But the formulation of broad policies and programs inevitably requires leadership by the national governments. Accordingly, cooperation between countries is developing through the agencies of the national governments, which in turn draw from local sources.

It is established that housing bears an important relation to health, to employment and prosperity, to all urban and rural development, and to general contentment. Next to peace and economic security, the home and the neighborhood are uppermost in people's lives and desires.

The cooperation between countries in the field of housing and its corollaries will enable a pooling of ideas and methods. As distinguished from trade in materials and equipment and from international finance, a professional interchange has begun to develop widely. This exchange of experience covers such matters as organization and

¹ Mr. Crane represents the National Housing Agency on the Interdepartmental Committee on Cultural and Scientific Cooperation in the Department of State. The program described here is one of a number developed by various departments and agencies of the United States Government through the Committee. Mr. Crane is Special Assistant to the Administrator of the National Housing Agency.

administration, finance, statistical research, and planning and programming, land policies, design, and materials and construction.

During the past two years, in connection with such professional interchange, the National Housing Agency of the United States has received visitors from many of the United Nations. Responses have been made to hundreds of written inquiries. Special missions of other countries have established continuing relations. Assistance has been given in connection with procurement of some materials and of a small number of prefabricated houses.

The NHA is making its publications available in foreign countries through the United States missions and outposts. United States housing experts have visited and exchanged experience in several European countries and in other American republics. One consultant on housing and urbanism has been established in a United States embassy. The placement of others is currently the subject of negotiations. A system is being developed to receive the publications of other countries through the United States diplomatic missions. Participation has been provided in connection with regional and international meetings and with

preparations for other such discussion groups. The possibility of an international organization in housing and physical reconstruction is being considered.

As a manifest of its interest, the National Housing Agency has designated an office and created an agency committee to deal with international exchange of experience. Bilateral, regional, and world-wide relations are contemplated. These developments are rooted in an earlier statement of policy.

In a public address, given on April 18, 1945, John B. Blanford, Jr., the Administrator of the National Housing Agency, said:

"Our immediate task here is to undertake a housing program in the U.S.A. aimed at our eventual goal of a decent home for every family. In undertaking that job, we will want to draw on the best experience wherever it may be found. And I can assure you that our experience here will be an open book for our friends in housing in other lands, and that we will stand ready at all times to share that experience in the interests of our common goal of building a better world after victory."

Foreign Service Personnel To Reopen Consulates in China

[Released to the press September 21]

The Acting Secretary of State announced on September 21 that a selected group of Foreign Service personnel will soon leave for China to staff consulates there now being reopened in the areas liberated from the Japanese. The group will be headed by Foreign Service Inspector Richard P. Butrick, formerly Counselor of Embassy at Chungking and Peiping, who has been designated the Department's special representative for the reopening of Foreign Service establishments in the liberated areas in the Far East. Establishing his headquarters in Shanghai, Mr. Butrick, assisted by Foreign Service Officer Beppo R. Johansen, will immediately set to the task of reopening the American Consulates General at Tientsin, Hankow, Canton, and Hong Kong and the consulate at Tsingtao. Offices will be opened in Manchuria, French Indochina, the Federated Malay States, and the Netherlands Indies as soon as the necessary arrangements can be made.

Other members of the party are Foreign Service Officer Paul W. Meyer, who was at Tsingtao

at the outbreak of the war, Commercial Attaché A. Bland Calder whom the war caught in Shanghai, Foreign Service Officer James E. McKenna, until recently Special Assistant to the Director of the Office of Public Affairs in the Department, and Foreign Service Officers Augustus S. Chase and Stephen C. Brown. Vice Consuls William R. Lynch, Archibald A. McFadyen, Jr., William M. Olive, L. D. Gelfan, David K. Newman, and Foreign Service Clerks Lea Williams, Hazel Katz, June E. Morris, Edna Connelly, Mary Jane Young, Chau Shan-tai, Chau Wing-tai complete the special party which will leave Washington on September 24 by special car for the west coast, where a plane of the Army Transport Command awaits to take them by direct flight to Shanghai.

A further group headed by Foreign Service Officer Leo Sturgeon will depart for the Orient before the middle of October, and additional personnel will be transferred to Shanghai as rapidly as possible to fill in the gaps as the personnel from Shanghai are fanned out to other offices in the Far East.

Termination of O. S. S. and Disposition of Its Functions¹

[Released to the press by the White House September 20]

By virtue of the authority vested in me by the Constitution and Statutes, including Title I of the First War Powers Act, 1941, and as President of the United States and Commander in Chief of the Army and the Navy, it is hereby ordered as follows:

1. There are transferred to and consolidated in an Interim Research and Intelligence Service, which is hereby established in the Department of State, (a) the functions of the Research and Analysis Branch and of the Presentation Branch of the Office of Strategic Services (provided for by the Military Order of June 13, 1942), excluding such functions performed within the countries of Germany and Austria, and (b) those other functions of the Office of Strategic Services (hereinafter referred to as the Office) which relate to the functions of the said Branches transferred by this paragraph. The functions of the Director of Strategic Services and of the United States Joint Chiefs of Staff, relating to the functions transferred to the Service by this paragraph, are transferred to the Secretary of State. The personnel, property, and records of the said Branches, except such thereof as is located in Germany and Austria, and so much of the other personnel, property, and records of the Office and of the funds of the Office as the Director of the Bureau of the Budget shall determine to relate primarily to the functions transferred by this paragraph, are transferred to the said Service. Military personnel now on duty in connection with the activities transferred by this paragraph may, subject to applicable law and to the extent mutually agreeable to the Secretary of State and to the Secretary of War or the Secretary of the Navy, as the case may be, continue on such duty in the Department of State.

2. The Interim Research and Intelligence Service shall be abolished as of the close of business December 31, 1945, and the Secretary of State shall provide for winding up its affairs. Pending such abolition, (a) the Secretary of State may transfer from the said Service to such agencies of the Department of State as he shall designate any func-

tion of the Service, (b) the Secretary may curtail the activities carried on by the Service, (c) the head of the Service, who shall be designated by the Secretary, shall be responsible to the Secretary or to such other officer of the Department of State as the Secretary shall direct, and (d) the Service shall, except as otherwise provided in this order, be administered as an organizational entity in the Department of State.

3. All functions of the Office not transferred by paragraph 1 of this order, together with all personnel, records, property, and funds of the Office not so transferred, are transferred to the Department of War; and the Office, including the office of the Director of Strategic Services, is terminated. The functions of the Director of Strategic Services and of the United States Joint Chiefs of Staff, relating to the functions transferred by this paragraph, are transferred to the Secretary of War. Naval personnel on duty with the Office in connection with the activities transferred by this paragraph may, subject to applicable law and to the extent mutually agreeable to the Secretary of War and the Secretary of the Navy, continue on such duty in the Department of War. The Secretary of War shall, whenever he deems it compatible with the national interest, discontinue any activity transferred by this paragraph and wind up all affairs relating thereto.

4. Such further measures and dispositions as may be determined by the Director of the Bureau of the Budget to be necessary to effectuate the transfer or redistribution of functions provided for in this order shall be carried out in such manner as the Director may direct and by such agencies as he may designate.

5. All provisions of prior orders of the President which are in conflict with this order are amended accordingly.

6. This order shall, except as otherwise specifically provided, be effective as of the opening of business October 1, 1945.

HARRY S. TRUMAN

THE WHITE HOUSE

September 20, 1945

¹ Executive Order 9621 (10 *Federal Register* 12033).

In connection with the Executive order relating to termination of the Office of Strategic Services, the President sent on September 20 the following letter to Maj. Gen. William J. Donovan, Director of Strategic Services:

MY DEAR GENERAL DONOVAN:

I appreciate very much the work which you and your staff undertook, beginning prior to the Japanese surrender, to liquidate those wartime activities of the Office of Strategic Services which will not be needed in time of peace.

Timely steps should also be taken to conserve those resources and skills developed within your organization which are vital to our peacetime purposes.

Accordingly, I have today directed, by Executive order, that the activities of the Research and Analysis Branch and the Presentation Branch of the Office of Strategic Services be transferred to the State Department. This transfer, which is effective as of October 1, 1945, represents the beginning of the development of a coordinated system of foreign intelligence within the permanent framework of the Government.

Consistent with the foregoing, the Executive order provides for the transfer of the remaining activities of the Office of Strategic Services to the War Department; for the abolition of the Office of Strategic Services; and for the continued orderly liquidation of some of the activities of the Office without interrupting other services of a military nature the need for which will continue for some time.

I want to take this occasion to thank you for the capable leadership you have brought to a vital wartime activity in your capacity as Director of Strategic Services. You may well find satisfaction in the achievements of the Office and take pride in your own contribution to them. These are in themselves large rewards. Great additional reward for your efforts should lie in the knowledge that the peacetime intelligence services of the Government are being erected on the foundation of the facilities and resources mobilized through the Office of Strategic Services during the war.

Sincerely yours,

HARRY S. TRUMAN

The President on September 20 addressed the following letter to the Secretary of State:

MY DEAR MR. SECRETARY:

I have today signed an Executive order which provides for the transfer to the State Department of the functions, personnel, and other resources of the Research and Analysis Branch and the Presentation Branch of the Office of Strategic Services. The order also transfers the remaining activities of the Office of Strategic Services to the War Department and abolishes that Office. These changes become effective October 1, 1945.

The above transfer to the State Department will provide you with resources which we have agreed you will need to aid in the development of our foreign policy, and will assure that pertinent experience accumulated during the war will be preserved and used in meeting the problems of the peace. Those readjustments and reductions which are required in order to gear the transferred activities and resources into State Department operations should be made as soon as practicable.

I particularly desire that you take the lead in developing a comprehensive and coordinated foreign intelligence program for all Federal agencies concerned with that type of activity. This should be done through the creation of an interdepartmental group, heading up under the State Department, which would formulate plans for my approval. This procedure will permit the planning of complete coverage of the foreign intelligence field and the assigning and controlling of operations in such manner that the needs of both the individual agencies and the Government as a whole will be met with maximum effectiveness.

Sincerely yours,

HARRY S. TRUMAN

Corrigendum

Denmark

BULLETIN of August 26, 1945, page 295, second column, third paragraph, fifth line: Delete "Chile" and in lieu thereof insert "Denmark".

THE FOREIGN SERVICE

Consular Offices

The American Consulate General at Shanghai, China, was reestablished on September 13, 1945.

Entry of American Correspondents Into Hungary

[Released to the press September 19]

H. F. Arthur Schoenfeld, the American Political Representative in Budapest, has informed the Department of State that the ruling of the Allied Control Commission in Budapest granting blanket authority for the entry into Hungary of all correspondents accredited to the Allied forces has been rescinded.

In lieu thereof, correspondents accredited to the Allied forces who desire entry into Hungary must receive advance clearance from the Allied Control Commission on the same basis as correspondents who are not accredited to the Allied forces.

Applications of correspondents representing American newspapers, press associations, and other publications who desire entry into Hungary should be made to the Department of State, which in turn will request clearance by the Allied Control Commission through the American Political Representative in Budapest.

Entry of American Correspondents Into Poland

[Released to the press September 19]

The American Embassy in Warsaw has informed the Department of State that the Polish Government has granted clearance for the immediate entry into Poland of a substantial number of additional representatives of the American press.

Following announcement by the Department of State on August 24, 1945 that the Polish Government had granted clearance for the entry at this time of one representative each of the Associated Press, the United Press, and the International News Service, the Polish Government now has granted clearance to 13 additional representatives of the American press. These include one representative each of the *Christian Science Monitor*, *Chicago Tribune*, *New York Herald Tribune*, *New York Times*, *Overseas News Agency*, *Jewish Telegraph Agency*, *Milwaukee Journal*, and *Chicago Times*; two representatives each of *Time-Life* magazines and the *Columbia Broadcasting System*; and one photographer of the *Associated Press*.

Coincident with notification to the American Embassy in Warsaw of each clearance the Polish Government stated that it is authorizing its appropriate Embassy at Paris, London, or Washington to issue visas to press representatives who have been cleared.

Applications for the entry of representatives of the American press into Poland may be made to the Department of State, which in turn will request clearance from the Polish Government through the American Embassy in Warsaw.

Visit of United States Biologist to South America

[Released to the press September 18]

Oscar Riddle of Cold Spring Harbor, Long Island, N.Y., internationally known biologist and former president of the American Society of Zoologists, is visiting biological institutes and other scientific centers in Argentina, Brazil, and Uruguay. During his trip, which is sponsored by the Department of State, he will deliver a number of lectures in Rio de Janeiro, São Paulo, Montevideo, and Buenos Aires.

Before flying to Rio de Janeiro this September, Dr. Riddle had completed and prepared for publication a book on *Endocrines and Constitutions* which embodies his research on the hormone pro-lactine.

Dr. Riddle began his inter-American service in 1899 when as a young man of 22 he taught biology in San Juan, Puerto Rico. He has participated in natural-history expeditions to Cuba and along the Orinoco River and has studied and traveled widely in Europe. In 1930 he was chairman of the United States delegation to the Second International Congress for Sex Research, meeting at London, and in 1940 represented the Carnegie Institution at the Second Pan-American Congress of Endocrinology in Montevideo.

A member of many learned societies in Europe and America, he has served as president of the American Society of Zoologists and as vice president of the American Association for the Advancement of Science and of the American Institute of the City of New York, and has been on the board of governors of the Society of Arts and Sciences. He has been on several occasions a member of the publication board of *Endocrinology*, and for the past 20 years an editor of *Biology Abstracts*. He

is foreign correspondent of the National Academy of Medicine of Argentina.

Dr. Riddle says that in the modern world "Peoples cannot afford to be unaware of basic scientific truths". One of the purposes of his trip is to confer with Brazilian, Uruguayan, and Argentine colleagues in science on the best methods of making scientific information interchangeable and easily accessible in the languages of the Americas.

Great Lakes Fisheries Conference

[Released to the press September 20]

Conservation of the fisheries resources of the Great Lakes has been discussed at meetings held in Ottawa on September 18 and 19 between officials representing the Department of State of the United States and the Department of External Affairs of Canada. Representatives of the United States Fish and Wildlife Service, the Canadian Department of Fisheries, and the Province of Ontario were present in an advisory capacity, and the United States Delegation had previously received the advice of the States bordering on the Great Lakes. There was unanimity of view that steps should be taken to prevent any decline of the Great Lakes fisheries and to provide for their development by cooperation between and joint action by the governmental agencies of both countries concerned with the administration of fisheries.

There have been many informal international conferences with a view to common action regarding the fisheries of the Great Lakes in which representatives of the Province of Ontario and the Great Lakes States participated. A Joint Board of Inquiry was appointed by the United States and Canadian Governments in 1940. The members were: Mr. Hubert R. Gallagher, Assistant Director, Council of State Governments, and Dr. John Van Oosten, United States Fish and Wildlife Service, for the United States; and Mr. D. J. Taylor, Deputy Minister of Game and Fisheries, Province of Ontario, and Dr. A. G. Huntsman, Consulting Director to the Fisheries Research Board of Canada, for Canada. Following submission of the Board's report in 1942, there have been discussions and continuing study of the question on both sides of the border, and these have

resulted in a wide measure of agreement on the part of the governmental agencies concerned.

At the meetings just concluded it was decided to recommend to the United States and Canadian Governments that the two countries enter into a treaty to provide for the desired cooperation and joint action in conserving the Great Lakes fisheries. Taking as examples the successful records of the international commissions which the United States and Canada have established to deal with halibut- and salmon-fisheries questions, it was agreed to recommend that an international commission for the Great Lakes fisheries be established. It would be the responsibility of the commission to formulate and recommend research programs and to develop a comprehensive plan for the effective management of the fisheries resources of the Great Lakes in order to secure the maximum use of these resources consistent with their perpetuation.

THE DEPARTMENT

Appointment of Officers

JOHN CARTER VINCENT AS DIRECTOR OF THE OFFICE OF FAR EASTERN AFFAIRS

[Released to the press September 20]

Acting Secretary Acheson announced on September 20 the appointment of John Carter Vincent as Director of the Office of Far Eastern Affairs, effective September 19. Mr. Vincent succeeds Joseph W. Ballantine, who has rendered distinguished service as Director of that Office since December 19, 1944 and prior thereto as Deputy Director and Chief of the Division of Far Eastern Affairs. Mr. Ballantine's period of home service will expire, under the regulations applicable to the Foreign Service, on January 6, 1946. Until then he will remain in the Department as Special Assistant to the Secretary for the purpose of arranging and completing the papers arising out of his four years of Departmental service in Washington. At Mr. Ballantine's request consideration of a future assignment has been deferred pending the completion of medical treatments which he is now undergoing.

GEORGE P. BAKER as Director of the Office of Transport and Communications Policy, effective September 1, 1945.